

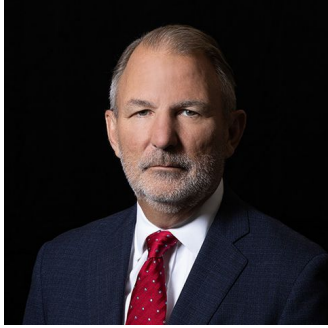
PUBLICATIONS

Rule 105 Update: New Round of Enforcement Highlights SEC Approach on Short-Selling Violations

October 2015

The Enforcement Division of the U.S. Securities and Exchange Commission (SEC) continued its “Rule 105 initiative” this year, culminating in settlements with six firms that total more than \$2.5 million in monetary sanctions, in addition to other sanctions. These cases highlight important components of the SEC’s approach to Rule 105 enforcement. SRZ partners Charles J. Clark, Harry S. Davis, Marc E. Elovitz, Eleazer Klein, associate Noah N. Gillespie and former SRZ lawyers Brian T. Daly and David K. Momborquette discuss what fund managers should do in light of these recent enforcement actions, including review policies with regard to Rule 105, stress test the actual procedures that support those policies, and redouble surveillance and education efforts to ensure compliance.

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